



**SMS/800, INC.
ADMINISTRATION TRANSITION PROPOSAL**

Meeting with the FCC

February 9, 2011

SMS/800, INC. – ADMINISTRATION TRANSITION PLAN

Proposal: Transition the SMS/800 System and Services from Current Governance Structure to Industry-based Governance

Transition will include:

1. Administration and delivery of the SMS/800 System and Services
2. Tariff responsibility
3. Establishment of the new Board of Directors

Why and why now?

1. System and operations are stable and well-positioned to support growth
2. Respond to Resp Org/Service Provider requests
3. Positive response to perceived conflict of interest
4. Continue to provide consistent, reliable service for the future, under new structure

SMS/800, INC. – ADMINISTRATION TRANSITION PLAN

Multiple Phase Plan

Establish Dedicated, Independent Management for SMS/800, Inc.

1. Identify qualified, experienced management team to be employed directly by SMS/800, Inc.
 - Replaces BOC employee support role
 - Has minimal impact to operating costs
2. Seek and incorporate additional customer input/feedback on establishment of dedicated, independent management team and overall company reorganization

Address Regulatory Issues Related to Service Provider Role

1. Transition responsibility for the SMS/800 Functions Tariff to SMS/800, Inc.
2. Expand SMS/800, Inc. Board of Directors (BoD) to incorporate customer representatives

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Board of Directors Structure

Current: Directors are designated by the three (3) Bell Operating Companies (BOCs)

Proposed: Seven (7) Directors (election/appointment to be coincident with transfer of the tariff)

1. Five (5) SMS/800 Inc. Customer Seats – Elected representation by and from Large/Medium/Small Resp Orgs and Service Control Point (SCP) Owner Operators
2. Two (2) Independent Seats – Appointed by elected Board Members from the Large/Medium/Small Resp Orgs and Service Control Point (SCP) Owner Operators, based on experience and skill sets
3. Terms for Board members will be staggered to ensure management continuity

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Transition Plan Benefits

Customers

1. Expanded customer representation on SMS/800, Inc. Board of Directors (BoD)
2. Continued stability in pricing and cost management
3. Positively addresses perceived conflict of interest
4. Gradual management evolution without substantive alteration in system, investment or technology

FCC

1. Preserves tariff structure and administration
2. Provides stronger voice for customers, via BoD representation
3. Ensures skilled and dedicated SMS/800 Inc. resources (both current & future)